

Summary/Final Minutes – Work Session – May 16, 2013

Savannah City Government SUMMARY/FINAL MINUTES MAYOR AND ALDERMEN WORK SESSION May 16, 2013 – 10:00 am

PRESENT: Mayor Edna B. Jackson, Presiding
Alderman Van R. Johnson, II Mayor Pro-tem (arrived at 10:40 am)
Alderman Tony Thomas, Chairman of Council
Alderman Mary Osborne, Vice-Chairman of Council
Aldermen John Hall, Mary Ellen Sprague,
Tom Bordeaux and Estella Shabazz

City Manager Stephanie S. Cutter
City Attorney W. Brooks Stillwell
Asst. City Attorney William W. Shearouse

ABSENT: Alderman Carol Bell (attending NLC/WIMG Meeting)

Mayor Jackson called the meeting to order.

Medical Benefit Self Insurance/Savannah Business Group

Beth Robinson, Human Resource Director reported on the City's Medical Benefit Self Insurance/Savannah Business Group (SBG) that included a brief overview of SBG and the health savings from this partnership. She distributed copies of the PowerPoint presentation to members of Council and introduced Gary Rost, Executive Director of SBG. Ms. Robinson provided an update on the medical plan, comparisons with other government employers and health care reform. She also discussed the impact of large claims, specialty pharmacy items and active spouse claims on medical plan costs. The discussion concluded with a review of chronic condition management, use of generic medications and a continued focus on in-network utilization.

During and at the close of her presentation the following questions were asked:

Alderman Sprague: She has read that Kaiser has the best healthcare system in the country in terms of cost, preventative medicine and outcomes per patient and wondered why they weren't used for the comparison. Ms. Robinson said they used Mercer because they break it down by type of industry making it possible to benchmark Savannah by other municipalities. Ms. Sprague asked if they can still get Kaiser's data and Ms. Robinson said absolutely.

Is the list of preventive care services listed on the City's website and when was it enacted? Ms. Robinson said yes there is a link on the website and it was enacted in 2012. How can one health center support all city employees? Ms. Robinson said there would be one central location where the majority of employees work.

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Alderman Bordeaux: How does government compare with the private sector plans? Does the City cover genetic testing? Ms. Robinson stated as a general rule public sector plans are richer than private industry which is why they try to review other government plans to ensure they are comparing apples to apples. The City covers some genetic testing, but not all.

Alderman Shabazz: Since preventive care is essential, can healthcare screening be conducted at least twice a year? Ms. Robinson stated that the City's mobile unit is at various locations approximately twenty times throughout the year. How can they encourage employees to utilize the health screening services? What is the definition of a large claim? Ms. Robinson said the City is currently offering incentive leave and a large claim is amounts over \$137,500. Why should the City have an onsite health center? Ms. Robinson said some people don't have a primary doctor, some have transportation issues and some can't afford the co-pay for doctor visits.

Mayor Jackson: Is the healthcare screening information provided to retirees and is it performed by St. Joseph/Candler? Ms. Robinson said yes it is, and they can do a better job of informing retirees and spouses. Is a dependent's child covered? Ms. Robinson said no. If a person is covered by multiple plans can they select one as their primary? Ms. Robinson said the law states that wherever you are actively employed is who your primary insurer is. Is there a list of generic equivalent or substitute medications? Ms. Robinson said no but they will start compiling it.

Alderman Johnson: Do employees comprise the largest number of the large claims? Ms. Robinson said 4 employees, 3 spouses and 2 children represented the nine claims for 2012. Could some of these large claims been prevented with healthcare screening? Ms. Robinson said some yes, some no and some were environmental. How many domestic partners are covered? The City has less than 25 and most are of the opposite sex not the same sex.

Alderman Thomas: How was stop-loss impacted by the new healthcare act? Ms. Robinson said the City's premiums increased by three percent.

Alderman Hall: Isn't nine catastrophic claims a low number considering the large amount of covered employees and their dependents? Ms. Robinson said yes that was absolutely correct.

Semi-Annual Financial Update

City Manager Stephanie Cutter announced Dick Evans, Chief Financial Officer/Acting City Manager who gave a PowerPoint presentation on the Semi Annual Financial Update comprised of a review of local economic indicators and their take-aways, financial results for year ending December 31, 2012, 2013 financial results ending April 30th and projected impact of the new LOST certificate. The presentation concluded with a discussion of the challenges and bright spots on the horizon.

During and at the close of his presentation the following questions were asked:

Alderman Sprague: What are coincident indices? Mr. Evans said these are indicators that change at approximately the same time as the whole economy and are intended to provide information about the current state of the economy. Can Council get the foreclosure data? What number is

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considered normal and how low is it? When will Savannah get money from the Title Fee? Mr. Evans said the \$96,000 was received sometime during the last two weeks. What are the property tax numbers from 2011? Mr. Shonka, Assistant City Manager will get her those numbers. Where did the additional money come from? Mr. Evans said the general revenue fund. Are sick days monitored? Moving forward, Human Resources will gather that data. Why was there a decrease in kilowatt hours? How much of the sales tax was due to cars? Mr. Evans said that the Department of Revenue cannot break that out, but his guesstimate is ten percent.

Alderman Johnson: How much foreclosure data comes from legislation? What is the new normal? Mr. Evans said this year's budget projected around \$40 million and the sales tax projected amount for the new certificate is \$36 million for 2013.

Alderman Hall: Where is the highest concentration of foreclosures? Alderman Thomas said most foreclosures are south and west of DeRenne.

Mayor Jackson: Will certain percentages of the Title Fee come to Savannah? Mr. Evans said yes, but it is a complex formula. What is the average cost of homes in Savannah? He will research and get that information to her.

Attorney Lester Johnson told Council that a notice was sent to Mr. Hautt, the owner of Taco Abajo last Friday. He received it on Monday, but didn't understand it so he hired Attorney Matthew Bush. Mr. Hautt sent him a fax letter asking for a continuance until June 13, 2013. Mr. Johnson did advise Mr. Bush that Council would have the discretion of placing this on its next agenda which is May 30, but he has a conflict on the 30th and would request June 13th in place of May 30, 2013.

Council broke for lunch

City Manager Stephanie Cutter presented the City Manager's Briefing of the agenda items for the Council Meeting of May 16, 2013. The agenda is attached and made a part of the permanent record.

Mayor Jackson adjourned this meeting.



Dyanne C. Reese, MMC, Clerk of Council